



Laura Francis
First Selectman, Town of Durham
President, Connecticut Council of Small Towns
Finance, Revenue & Bonding Committee
March 30, 2022

RE: SB-12 - AN ACT AUTHORIZING AND ADJUSTING BONDS OF THE STATE FOR CAPITAL IMPROVEMENTS AND INFRASTRUCTURE INVESTMENT AND JOBS ACT MATCHING FUNDS AND EXTENDING THE TIME PERIOD FOR DISTRIBUTING GRANTS FOR CERTAIN LAW ENFORCEMENT EQUIPMENT

The Connecticut Council of Small Towns (COST) appreciates the opportunity to comment on **SB-12**, Governor Lamont's proposed adjusted bond package.

COST supports efforts to include \$75 million in the bond package to fund the state match required under the federal Infrastructure Investment and Jobs Act, otherwise referred to as the Bipartisan Infrastructure Law.

The state match will position Connecticut to leverage federal funding to support efforts to strengthen the resiliency of critical infrastructure, upgrade water infrastructure, including lead service line replacement and treatment for PFAS and other emerging contaminants, and fund electric vehicle charging improvements.

In addition to leveraging federal infrastructure funding, COST urges lawmakers to assist Connecticut's small towns in addressing infrastructure and other economic and community development needs by enhancing the Small Town Economic Assistance Program (STEAP), as called for in a proposal introduced by Sen. Cathy Osten (SB-144).

COST respectfully requests that SB-12 be amended to increase the bond authorization under Section 4-66g of the general statutes for the Small Town Economic Assistance Program (STEAP) and address concerns that STEAP grants were arbitrarily capped last year, undermining the value of the program.

The STEAP program was established in 2001 to mirror the Urban Act program. It is a competitive grant program intended to provide up to \$500,000 to eligible small towns to assist in funding various capital projects, including economic development projects, infrastructure projects, recreation and solid waste disposal projects, housing projects, and social service-related projects, such as senior centers, domestic violence and emergency homeless shelters, and day care centers.



Unfortunately, the STEAP program lapsed for four years despite an unallocated balance. Governor Lamont announced in November 2020 that ninety-four municipalities would receive STEAP grants. In the press release it was noted that the governor reinstated the program to support Connecticut's municipalities while implementing projects that will give a boost to the economy and help in their response to the ongoing COVID-19 pandemic.

Although COST appreciates that the STEAP program was reinstated, there were several changes made regarding the administration of the program which undermine its effectiveness and value to communities, including:

PROJECT CAP – Although the program was designed to provide up to \$500,000 in competitive grant funds to eligible communities, the 2020 STEAP awards were arbitrarily capped at \$128,205. Urban Act grants are not subject to similar caps, and it is unclear why STEAP grants were capped. Given the increase in the cost of construction in the 20 years since the inception of the program, the grants should not be capped, and the eligible grant amount should be increased over five years to \$750,000.

MUNICIPAL MATCH REQUIREMENT – The 2020 STEAP Program Guidelines include a municipal match requirement, which raised the following concerns:

- 1) *State and Federal Funds* - The guidelines indicate that the match funds must be municipal funds, not funds from other state or federal grants. Many towns rely on state and federal funding to support projects, such as grants from the U.S. Department of Agriculture.
- 2) *Private Sector Funds* – Although not specified in the guidelines, it is our understanding that municipalities were precluded from using private sector funds in lieu of or in addition to the local match.
- 3) *Match Percentage* - The guidelines indicate that there is not a set percentage or dollar amount for the municipal match requirement, however, in practice, many municipalities were required to match 50% or more of the STEAP grant. It is unclear what determined the match percentage/dollar amount; and
- 4) *Budgeting Issue* – Municipalities were advised that the municipal match had to be already budgeted.

AWARD DELAYS/TIME SENSITIVE PROJECTS – Delays in awarding STEAP grants stalled a number of projects, many of which involve construction that must be performed in the warmer months, such as projects involving asphalt.

PROHIBITION ON “BANKING AWARDS” – The 2020 STEAP Program Guidelines provide that STEAP grants may not be “banked” over the course of multiple years to fund larger projects. Given the small amount of the grant awards, however, banking awards, which has been



permitted in the past, would allow towns to fund larger infrastructure and other projects that are critical to their communities.

COST urges lawmakers to address these issues to restore the viability of the STEAP program to address local economic and community development needs.

COST also supports provisions in the bill which extend the deadline for the Police Body Camera grant program by one year, through FY23. This will ensure municipalities may be reimbursed for the purchase of body camera equipment, reducing the cost burden on municipalities and property taxpayers.

Thank you for the opportunity to comment on SB-12.